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CONTACTS:

Deidre McCabe
Maryland Port Administration
410-385-4480
dmccabe@mdot.state.md.us

Richard Scher
Maryland Transit Administration
410-767-3931
rscher@mtamaryland.com

PORT ANNOUNCES FOREST PRODUCT CONTRACT EXTENSION (BALTIMORE, MD...July 23, 2004)

Secretary Robert L. Flanagan of the Maryland Dept. of Transportation and Angelo LaMantia, Director of Logistics from UPM-Kymmene, announced an agreement today that will ensure the Port of Baltimore's continued ranking as the largest forest products importer in the nation.

This agreement, reached between UPM, BalTerm and the Maryland Port Administration, guarantees more than a half million tons of paper imported from Finland per year for the next five years. In addition, the agreement calls for an extended lease on 556,822 square feet of covered shed space and an additional paper shed of 300,000 square feet, on which the MPA has already started construction.



"Governor Ehrlich is committed to growing business in Maryland," said Secretary Flanagan. "This agreement with UPM-Kymmene and BalTerm demonstrates once again that he is delivering on that commitment. It ensures the Port of Baltimore will remain a leader in forest products and that means jobs and revenue will continue to grow for the city, state and region."

UPM is the world's leading manufacturer of magazine paper, ranging in texture from telephone book pages to high-gloss monthlies. Shipments are handled at the Dundalk and Locust Point Terminals by BalTerm, whose CEO, Tripp Bailey, commented, "We're excited that UPM has again shown their confidence in us by committing to this extension. It is also a vote for ILA Locals 333, 1429, and 953, who handle the product."

Baltimore is one of two ports that UPM uses to import paper from Finland for its North American customers. A new 150,000 square-foot transit shed was completed by the MPA in 2003 at South Locust Point. With the addition of the new 300,000-square-foot shed, Baltimore will become the leading Atlantic Coast distribution center for UPM.

BalTerm is a joint venture between the Terminal Corporation of Baltimore, MD and Logistec Stevedoring of Montreal, Canada. BalTerm, one of the Maryland Port Administration's largest terminal operators, exclusively handles forest products.

Forest products include plywood, wood pulp and lumber and have been identified as a major commodity segment in the MPA's strategic plan.

Nearly 300 years old, the Port of Baltimore has consistently ranked as one of the top U.S. ports for several reasons. Located more than 160 miles inland, Baltimore is the closest U.S. Atlantic seaport to major mid-Western destinations and manufacturing centers. Nestled in the heart of the fourth largest, second wealthiest consumer market in the nation, it also serves as a prime distribution location.

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Governor, Robert L. Ehrlich, Jr.
Transportation Secretary, Robert L. Flanagan



Lt. Governor, Michael S. Steele
MPA Executive Director, James J. White